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C O N F I D E N T I A L SECTION 01 OF 04 LA PAZ 001414

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SUBJECT: DEJA VU--IS MORALES FOLLOWING THE CHAVEZ MODEL?

REF: A. LA PAZ 1357

[1](#)B. LA PAZ 1322

[1](#)C. LA PAZ 1317

Classified By: Amb. David N. Greenlee for reasons 1.4 (b) and (d).

[1](#)1. (C) Summary: As the Morales government hits the four month mark and further strengthens its relationships with Cuba and Venezuela, there is increasing speculation about the extent to which Morales is following the Chavista model of governance. Three Venezuelan USAID contractors working on democracy in Bolivia recently made an in-house presentation noting that many of the circumstances which led to Chavez's election in Venezuela also exist in Bolivia. The presentation concluded that as the relationship between Chavez and Morales deepens, signs are emerging that Morales is not only accepting Chavez' counsel, but that he is using Chavez's playbook to further consolidate hegemonic control of Bolivia's democratic institutions. While Bolivia's democracy may be more firmly rooted than Venezuela's at the same point in Chavez's tenure, and may contain additional barriers to the establishment of a more authoritarian regime, Morales appears clearly attracted to that path. End summary.

ALL VENEZUELA, ALL THE TIME

[1](#)2. (C) After four months in office, there is considerable speculation about the extent to which Morales is following the Chavista model of governance, particularly in light of the GOB's stronger-than-ever relationships with Venezuela and Cuba. Such discussions typically take place among the more educated Bolivians, where resentment is growing regarding Venezuelan (and Cuban) influence and presence in Bolivia. According to press reports, approximately 700 Venezuelans entered Bolivia between December and March, and the numbers continue to grow. Cuba's literacy and health projects, Venezuela's agreement to purchase all of Bolivia's soy, and weekly announcements of new Venezuelan projects receive extensive press coverage. Public reports about Venezuelan infiltration of Bolivian security forces also alarm many Bolivians. Chavez-Morales meetings are becoming a regular occurrence, with the latest taking place May 26, the MAS' launching of its Constituent Assembly campaign in the

Chapare. On the occasion, the GOB will sign numerous agreements with Venezuela and Cuba pertaining to hydrocarbons, mining, health, education, commerce and integral development in the Chapare and the Yungas.

THE RIGHT CONDITIONS

13. (C) In response to increased Venezuelan influence in Bolivia, three USAID contractors, all Venezuelans experienced in civil society democracy work (both in their own country and in Bolivia), recently made an in-house presentation noting that many of the circumstances which led to Chavez's election in Venezuela also exist in Bolivia. When Chavez was elected in 1998, Venezuela suffered from weak political parties, widespread perceptions of inequality in wealth distribution, poor economic conditions (in part due to low oil prices in 1998), and a collective sense that the entire political system was corrupt.

14. (C) The speakers noted that many of these conditions were present in Bolivia when Morales was elected president in December 2005. Bolivia's traditional political parties were so weak that many did not directly participate in the elections, including the Revolutionary Left Movement (MIR) and the National Democratic Action (ADN) party. Those which did compete -- Tuto Quiroga's new Podemos party, Samuel Doria Media's National Unity (UN) party (created in 2003), and the MNR (the party of the 1952 revolution) -- failed to join forces and divided the center-right vote. As in Venezuela, the speakers noted, many voters (particularly the

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marginalized indigenous) supported the MAS in the hope that it would correct hundreds of years of economic disparity and nationalize Bolivia's wealth of natural resources. A growing public concern regarding systemic corruption, a mistrust of public institutions and a desire for change also drove election results.

STRAIGHT FROM THE CHAVEZ PLAYBOOK?

15. (C) The USAID presentation further noted that as the relationship between Chavez and Morales deepens, darker signs are emerging that Morales is not only accepting Chavez' counsel, but that his intent is to use Chavez' playbook to further consolidate hegemonic control of Bolivia's democratic structures. The speakers listed the following political tools employed by Chavez that Morales seeks to employ in Bolivia:

-- Inaugurating a Constituent Assembly, followed by a series of elections, including national elections for assembly representatives, a referendum to approve the new constitution, national elections following the Constituent Assembly, and municipal/legislative elections. The speakers referred to this as "excessive democracy" which in Venezuela only served to bankrupt the opposition.

-- Removal of state financial support for opposition political parties.

-- Control of the judicial branch and national electoral court, the legislative branch, and Venezuela's state-owned oil company, PDVSA.

-- Use of PDVSA profits to finance government campaigns and political projects (particularly after oil prices surged). Bolivian Hydrocarbons Minister Soliz Rada confirmed that the 32 percent hike in hydrocarbons taxes on Bolivia's two largest gas fields would go to YPFB for the GOB's "special projects."

-- Construction of a state-controlled community radio network, planned for but not yet active in Bolivia.

-- Large government investment in its image/public diplomacy, including anti-U.S. rhetoric.

¶6. (C) The speakers drew additional parallels between Venezuela and Bolivia, such as:

-- Both populations' connections with a single, charismatic leader;

-- Political polarization (left vs. right with few centrist alternatives);

-- A weak, fragmented opposition;

-- Populist themes and government programs;

-- Stronger executive control of the military and increased military involvement in civilian issues;

-- Popular support for an overhauled energy policy;

-- Disappointment among the electorate with the ability of country's previous political leaders and political system to address the country's needs;

-- A weak private sector which is on the defensive in light of aggressive government policy; and

-- A tolerant international response to the governments' policies.

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COMMENT

¶7. (C) While the parallels are not exact, we found this presentation by Venezuelan democracy contractors indicative. The Constituent Assembly has long been key to Morales' political strategy, and he has attempted to cut off state support for the political opposition. Morales is setting the stage for back-to-back elections, a la Chavez, beginning with the July 2 Constituent Assembly election, followed by a national referendum to approve the new constitution, and possibly another national contest to re-elect Morales. The MAS has a firm majority in Congress, and via salary cuts and public criticism has sought to undermine the judicial branch. Morales cleared out three generations of military officers to engender loyalty amongst the new military leadership, and employed the military to help enforce the decree to nationalize hydrocarbons on May 1. With Venezuelan assistance, the GOB is constructing a state-controlled national radio network to expand information dissemination to Bolivia's poor campesinos. Morales also regularly employs Chavez's "anti-imperialist" rhetoric for domestic political gain.

¶8. (C) While Morales appears to be following many aspects of Chavez's playbook, Bolivia's democracy may be more firmly rooted than Venezuela's at the same point in Chavez's tenure, and may contain additional hurdles to the establishment of a more authoritarian regime. We see the following factors as possible barriers:

-- Bolivia's enabling legislation for the Constituent Assembly guarantees a significant minority presence, something that was absent in Venezuela. Only six opposition members were elected to the Venezuelan Constituent Assembly, whereas in Bolivia it appears difficult for the MAS to obtain the two-thirds majority needed to control it.

-- A system of checks and balances among the branches of

government, while possibly weakening, remains intact here. Bolivia's National Electoral Court, whose equivalent Chavez co-opted early on in Venezuela, remains independent. The Constitutional Tribunal and Supreme Court (reftels) have not yielded to the GOB's intimidation tactics. Other "vertical" checks and balances in the form of independent prefects and municipal governments, also remain.

-- The opposition has so far thwarted Morales' efforts to do away with their state electoral funding. (NOTE: While the state subsidies continue, they are modest, and of the 25 parties participating in the July 2 election, only Podemos, the UN and the MNR qualify for funds because they ran candidates in December. END NOTE).

-- Civil society representatives continue to educate the populace about democracy and the Constituent Assembly.

-- An active social sector continues to use street pressure (tactics employed by the MAS to influence previous governments) to force the GOB to attend to its demands.

-- Cultural and ethnic diversity translates into diverse social interests and demands upon the central government.

19. (C) As the Venezuelan analysts' presentation highlights, there are many similarities between the Venezuelan and Bolivian experiences, both in the conditions that brought Chavez and Morales to power and the tools they seem to be using to maintain it. While Morales appears to be headed down a more autocratic path, Bolivia's experience in the end, as so often in its history, will be defined by its own peculiar social and political realities. Perhaps the most significant difference between Venezuela and Bolivia is that Morales may not gain absolute control of the upcoming Assembly (see reftels), which will make consolidation of political power more difficult. Whether Morales' political project will have as much "success" as Chavez's will become

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more evident as the MAS seeks to impose its will on the Constituent Assembly, Bolivia's next major political event.
GREENLEE